

House Bill 249
January 22, 2009
Presented by Paul Sihler
House Fish, Wildlife & Parks Committee

EXHIBIT 8
DATE 1-22-09
HB 249

Mr. Chairman and committee members, for the record my name is Paul Sihler, Administrator of the Field Services Division of Montana Fish, Wildlife and Parks (FWP). FWP rises in opposition to HB 249.

FWP currently pays taxes on most of the land it owns in fee title. As required by 87-1-603, MCA, FWP pays property taxes to counties "... in a sum equal to the amount of taxes which would be payable on county assessment of the property were it taxable to a private citizen." In 2008, FWP paid \$521,780.21 in property tax payments to 38 counties. Most of this money came from hunter license dollars.

HB 249 would now require FWP to pay property taxes on property that we don't even own. Further, it would require FWP to pay taxes on property for which the actual property owner is already paying 100% of the property tax owed.

Also, please note that under current law, 76-6-208, MCA, a conservation easement may not cause land to be classified into a class affording less taxable valuation. In other words, the law already assures that a conservation easement does not reduce the amount of property tax that will be generated by a parcel of land.

The intent of this bill appears to be to penalize FWP for holding conservation easements, and to discourage their use. This conflicts with direction that past Legislatures have provided the department that it is preferable to conserve habitat through conservation easements rather than through fee title acquisition. When FWP acquires a conservation easement, we typically make a significant payment to the landowner, which allows them to payoff debt, expand their landholdings or invest in their operation. The property remains in private ownership rather than going to public ownership, it typically remains in agricultural production, and the landowner continues to contribute to the local community and economy. HB 249 seems to send the signal that FWP should now place a preference on conserving habitat through fee title acquisition rather than conservation easement.

FWP believes that conservation easements represent an excellent way to provide Montana sportsmen and women with quality recreational opportunities in a way that honors and maintains our heritage of habitat conservation and agricultural production. The double-taxation approach embodied in HB 249 would discourage this important and popular tool by making new conservation easements more expensive. It would also punish Montana's hunting community by diverting an unfair amount of their license dollars into property tax payments on land that is already fully taxed under law.

Mr. Chairman, I'd be happy to answer any questions, and thank you for the opportunity to testify today.